

CHAPTER 3

ANNEX 3REIMBURSABLE PROGRAM PRO FORMA ACCOUNTING ENTRIES

A. The United States Government Standard General Ledger (USSGL) accounts used in this section were published in the Treasury Financial Manual (TFM), Section III, released in May 2001 and updated in July 2001. The scenarios cover simple reimbursable transactions between two annual year fund accounts. Accounting entries are separately displayed for both the Ordering and Performing entities. Performing entity accounting data have been merged together--they are separate and distinct for this scenario.

B. The transactions illustrate USSGL accounts without applicable attribute values. Therefore, a single transaction listed herein may translate to several similar transactions in an accounting system depending on how many combinations of USSGL accounts and attribute values are valid to record a Department of Defense (DoD) Component's activities. Accounting Offices must post transactions using the 4-digit USSGL at the transaction level to facilitate necessary DoD reporting.

C. Transactions depicting reimbursable activity shall be balanced with the funding for such activity:

1. If either the ordering entity or the performing entity is operating through an annual expenditure account:

a. The performing entity must reduce unfilled customer orders-with advance and unfilled customer orders-without advance to an amount equal to the obligations incurred against those orders, and,

b. The ordering entity must reduce all undelivered orders-obligations paid and undelivered orders-obligations unpaid to the same amount as the unfilled customer order on the performing entity's books.

2. If both the ordering entity and the performing entity are operating from no-year expenditure accounts, then the adjustments in paragraph C.1, above, are not required. However, periodic reviews of unfilled customer orders should be conducted in order to prevent improper balances of unfilled customer orders on the performing entity's books and improper balances of undelivered orders on the ordering entity's books. If proper reviews and controls are not implemented, a performing entity could properly obligate against unfilled customer orders yet be unable to expend against those orders because funds have not been collected. If an entity expends more than it has collected, it may have violated the Antideficiency Act even if it had the budget authority to make the obligation.

D. Recording Reimbursable Activity. The following transactions apply when recording reimbursable activity:

1. The ordering entity receives an appropriation warrant and Standard Form (SF) 132 Apportionment Schedule for an annual appropriation. The ordering entity head allots funds and records the change in status.

ORDERING ENTITY – Federal

Budgetary

4119 Other Appropriations Realized

4450 Unapportioned Authority

4450 Unapportioned Authority

4510 Apportionments

4510 Apportionments

4610 Allotments – Realized Resources

Proprietary

1010 Fund Balance with Treasury

3101 Unexpended Appropriations - Approp received

2. The performing entity anticipates reimbursable activity and receives an approved SF132 Apportionment Schedule.

PERFORMING ENTITY

Budgetary

4210 Antic Reimbursements and Other Income

4450 Unapportioned Authority

4450 Unapportioned Authority

4590 Apportionments Unavailable – Anticipated
Resources

Proprietary

No entry.

NOTE: In reference to spending authority from offsetting collections, OMB Circular A-11 (2000), Section 20.4 states that “ ... Obligations may be incurred against accounts receivable and unpaid, unfilled orders from other Federal accounts, but not from the public.”

3. The ordering entity issues an order to the performing entity and does not provide an advance. The following entries also apply when a performing entity determines that an order cannot be filled for the original estimate and notifies the ordering entity that the cost will increase; the ordering entity may authorize the increase and process an amendment reflecting the increased cost of the order.

ORDERING ENTITY – Federal

Budgetary

4610 Allotments – Realized Resources

4801 Undelivered Orders – Obligations, Unpaid

Proprietary

No entry.

4. The performing activity accepts the order without an advance.

PERFORMING ENTITY

Budgetary

4221 Unfilled Customer Orders Without Advance

4210 Antic Reimbursements and Other Income

4590 Apportionments Unavailable - Anticipated Resources

4610 Allotments – Realized Resources

Proprietary

No entry.

5. The ordering entity issues an order with the performing entity and provides an advance.

ORDERING ENTITY – Federal

Budgetary

4610 Allotments – Realized Resources

4802 Undelivered Orders – Obligations, Prepaid/Advanced

Proprietary

1410 Advances to Others

1010 Fund Balance with Treasury

6. The performing activity accepts the order (with advance).

PERFORMING ENTITY

Budgetary

4222 Unfilled Customer Orders With Advance

4210 Antic Reimbursements and Other Income

4590 Apportionments Unavail – Anticipated Resources

4610 Allotments – Realized Resources

Proprietary

1010 Fund Balance with Treasury

2310 Advances from Others

7. The performing entity incurs obligations against an order.

PERFORMING ENTITY

Budgetary

4610 Allotments – Realized Resources

4801 Undelivered Orders – Obligations, Unpaid

Proprietary

No entry.

8. The ordering entity receives invoices for obligations not related to the reimbursable orders.

ORDERING ENTITY – Federal

Budgetary

4801 Undelivered Orders – Obligations, Unpaid

4901 Delivered Orders – Obligations, Unpaid

Proprietary

6100 Operating Expenses/Program Costs

2110 Accounts Payable

3107 Unexpended Appropriations - Approp Used

5700 Expended Appropriations

9. The performing entity receives goods for obligations related to reimbursable orders.

PERFORMING ENTITY

Budgetary

4801 Undelivered Orders – Obligations, Unpaid

4901 Delivered Orders – Obligations, Unpaid

Proprietary

6100 Operating Expenses/Program Costs

2110 Accounts Payable

10. The ordering entity receives goods and services and is invoiced (advance not recorded).

ORDERING ENTITY – Federal

Budgetary

4801 Undelivered Orders – Obligations, Unpaid

4901 Delivered Orders – Obligations, Unpaid

Proprietary

6100 Operating Expenses/Program Costs

2110 Accounts Payable

3107 Unexpended Appropriations - Approp Used

5700 Expended Appropriations

Note: The ordering entity debits and credits the 3107/5700 accounting pair since it is using funds appropriated from the general fund. The performing entity does not use the 3107/5700 debit/credit pair since it is using offsetting resources from the reimbursable collections.

11. The performing entity completes work (goods and services) for the ordering entity.

PERFORMING ENTITY

Budgetary

4251 Reimbursements and Other Income Earned - Receivable

4221 Unfilled Customer Orders Without Advance

Proprietary

1310 Accounts Receivable

5100/5200 Rev from Goods Sold/from Services
Provided

12. The ordering entity receives goods and services and is invoiced (advance is recorded).

ORDERING ENTITY – Federal

Budgetary

4802 Undelivered Orders – Obligations, Prepaid/Advanced

4902 Delivered Orders – Obligations, Paid

Proprietary

6100 Operating Expenses/Program Costs

1410 Advances to Others

3107 Unexpended Appropriations - Approp Used

5700 Unexpended Appropriations

13. The performing entity delivers goods and services to the ordering entity and submits an invoice (advance is recorded).

PERFORMING ENTITY

Budgetary

4252 Reimbursements & Other Income Earned – Collected

4222 Unfilled Customer Orders With Advance

Proprietary

2310 Advances from Others

5100/5200 Rev from Goods Sold/from Services Provided

14. The ordering entity pays accounts payable.

ORDERING ENTITY – Federal

Budgetary

4901 Delivered Orders – Obligations, Unpaid

4902 Delivered Orders – Obligations, Paid

Proprietary

2110 Accounts Payable

1010 Fund Balance with Treasury

15. The performing entity records the collection of the receivable

PERFORMING ENTITY

Budgetary

4252 Reimbursements & Other Income Earned – Collected

4251 Reimbursement & Other Income Earned - Receivable

Proprietary

1010 Fund Balance with Treasury

1310 Accounts Receivable

16. The ordering entity and performing entity pay outstanding accounts payable.

ORDERING ENTITY – Federal

Budgetary

4901 Delivered Orders – Obligations, Unpaid

4902 Delivered Orders – Obligations, Paid

Proprietary

2110 Accounts Payable

1010 Fund Balance with Treasury

PERFORMING ENTITY

Budgetary

4901 Delivered Orders – Obligations, Unpaid

4902 Delivered Orders – Obligations, Paid

Proprietary

2110 Accounts Payable

1010 Fund Balance with Treasury

E. Recording Adjusting Transactions for Reimbursable Activity. The following transactions apply when recording adjusting entries for reimbursable activity:

1. As part of year-end preparations, the performing entity determines that it will not incur any additional obligations against outstanding orders prior to year-end. Since all orders with the ordering entity originated from an annual account and the order is held by an annual account, the unfilled customer orders are reduced to equal the associated outstanding obligations and any associated advances are returned. The ordering entity reduces obligations accordingly.

ORDERING ENTITY – Federal

Budgetary

4802 Undelivered Orders – Obligations, Prepaid/Advanced

4801 Undelivered Orders – Obligations, Unpaid

4610 Allotments – Realized Resources

Proprietary

1010 Fund Balance with Treasury

1410 Advances to Others

PERFORMING ENTITY

Budgetary

4610 Allotments – Realized Resources

4221 Unfilled Customer Orders Without Advance

4222 Unfilled Customer Orders With Advance

Proprietary

2310 Advances from Others

1010 Fund Balance with Treasury

2. The performing entity posts adjustments for anticipated orders that were not realized.

ORDERING ENTITY – Federal

Budgetary

No entry.

Proprietary

No entry.

PERFORMING ENTITY

Budgetary

4590 Apportionments Unavailable – Anticipated Resources

4210 Antic Reimbursements and Other Income

Proprietary

No entry.

F. Recording Closing Entries for Reimbursable Activity. The following transactions apply when recording closing entries for reimbursable activity:

1. To record the consolidation of net-funded resources.

ORDERING ENTITY – Federal
Budgetary

4201 Total Actual Resources – Collected
4119 Other Appropriations Realized

Proprietary

No entry.

PERFORMING ENTITY

Budgetary

4201 Total Actual Resources – Collected
4252 Reimbursements & Other Income - Collected

Proprietary

No entry.

2. To record the closing of unobligated balances to expiring authority.

ORDERING ENTITY – Federal
Budgetary

4610 Allotments – Realized Resources
4650 Allotments – Expired Authority

Proprietary

No entry.

PERFORMING ENTITY

Budgetary

No entry.

Proprietary

No entry.

3. To record the closing of Delivered Orders – Obligations, Paid.

ORDERING ENTITY – Federal

Budgetary

4902 Delivered Orders – Obligations, Paid

4201 Total Actual Resources – Collected

Proprietary

No entry.

PERFORMING ENTITY

Budgetary

4902 Delivered Orders – Obligations, Paid

4201 Total Actual Resources – Collected

Proprietary

No entry.

4. To record the closing of revenue, expense and other financing sources to cumulative results of operations.

ORDERING ENTITY – Federal

Budgetary

No entry.

Proprietary

5700 Expended Appropriations

3310 Cum Results

3310 Cum Results

6100 Operating Expenses/Program Costs

PERFORMING ENTITY

Budgetary

No entry.

Proprietary

5100/5200 Revenue from Goods Sold/from Services Provided

3310 Cum Results

3310 Cum Results

6100 Operating Expenses/Program Costs

5. To record the closing of fiscal year activity that increases unexpended appropriations.

ORDERING ENTITY – Federal

Budgetary

No entry.

Proprietary

3101 Unexpended Appropriations - Approps Rcvd

3100 Unexpended Appropriations - Cumulative

3107 Unexpended Appropriations - Approps

Used

PERFORMING ENTITY

Budgetary

No entry.

Proprietary

No entry.

G. Closing-out Unsupportable and Uncollectible Reimbursable Activity. The following transactions apply when reversing receivables that are unsupportable or invalid, and for closing-out an accounts receivable when determined uncollectible by the Under Secretary of Defense (Comptroller), Component Comptroller or designee:

1. To transfer earned but uncollectable amount from the reimbursable program to the direct program.

PERFORMING ENTITY

Budgetary

4902 Delivered Orders – Obligations, Paid (Reimbursable Attribute)

4902 Delivered Orders – Obligations, Paid (Direct Attribute)

Proprietary

5100/5200 Rev from Goods Sold/from Services Provided

1310 Accounts Receivable

2. To remove the accepted order, which is uncollectible, from the reimbursable program.

PERFORMING ENTITY

Budgetary

4610 Allotments – Realized Resources

4221 Unfilled Customer Orders Without Advance

4222 Unfilled Customer Orders With Advance

Proprietary

No entry.